HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

# Standing Committee on Transport, Infrastructure and Communities

TRAN • NUMBER 106 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

## Wednesday, May 30, 2018

---

## Chair

**The Honourable Judy A. Sgro**

# Standing Committee on Transport, Infrastructure and Communities

**Wednesday, May 30, 2018**

● (1600)

[*English*]

**The Chair (Hon. Judy A. Sgro (Humber River—[illegible]k Creek, Lib.)):** I'm calling to order the 106th meeting of the Standing Committee on Transport, Infrastructure and Communities. My apologies for the lateness.

Good afternoon, everyone. I'm especially pleased to welcome the Honourable Marc Garneau, Minister of Transport, to study a number of the votes from the main estimates 2018-19, namely: vote 1 under Canadian Air Transport Security Authority; vote 1 under Canadian Transportation Agency; votes 1, 5, 10, 15, and 20 under Department of Transport; vote 1 under Marine Atlantic; vote 1 under The Federal Bridge Corporation Limited; and, vote 1 under VIA Rail. These were referred to the committee on April 16, 2018.

On behalf of Transport Canada, we also have with us Michael Keenan, deputy minister, and Pierre-Marc Mongeau, assistant deputy minister, programs, as well as Karen Cahill, director general, financial planning and resource management.

For the Canadian Air Transport Security Authority, we have Mike Saunders, president and chief executive officer, and Nancy Fitchett, acting vice-president, corporate affairs, and chief financial officer.

For the Canadian Transportation Agency, we have Scott Streiner, chair and chief executive officer, and Carole Girard, executive director, internal services, and chief financial officer.

For Marine Atlantic, we have Don Barnes, president and chief executive officer, and Shawn Leamon, vice-president of finance.

For The Federal Bridge Corporation Limited, we have Ms. Natalie Kinloch, chief financial and operating officer.

Finally, for VIA Rail Canada, we have Jacques Fauteux, director of government and community relations, and Patricia Jasmin, chief financial officer.

Welcome, everyone.

I shall start the discussion by calling vote 1 under the Canadian Air Transport Security Authority.

Over to you, Mr. Garneau.

**Hon. Marc Garneau (Minister of Transport):** Thank you very much, Madam Chair. In the interests of time, I won't read my introductory remarks in order to allow as much time as possible for questions.

**The Chair:** Thank you.

Ms. Block.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you very much, Madam Chair.

Thanks to you, Minister, and to all of the departmental staff, for joining us today to answer any questions we may have.

I do believe, Minister, that your government has another live political grenade that's about to go off. I believe that only someone from your government can put the pin back in and prevent this story from blowing up. I'm referring to the situation with iChurchill Inc. and the planned purchase of the Hudson Bay railway. I'm going to list a number of the facts as I understand them.

In March 2018, iChurchill signed a letter of intent with OmniTRAX. After the letter of intent was signed, OmniTRAX notified the government's lead negotiator that they had come to terms with a prospective buyer of the assets. After notification was given, OmniTRAX was informed by the government's lead negotiator that the federal government was pursuing a deal with another firm.

I do want to make it clear, because perhaps I wasn't last week when I asked you some of these questions in the House, that I am not asking you to publicly discuss the negotiations. I just want to know: of the three facts that I've listed, are there any untruths or partial untruths contained in what I've said?

● (1605)

**Hon. Marc Garneau:** I will answer the question by saying that we have a very capable chief negotiator, Mr. Wayne Wouters, a previous Clerk of the Privy Council, who is entrusted with the task from Western Diversification, which of course comes under ISED, to examine potential buyers. It is up to Mr. Wouters and his team to look at all serious and viable contenders who would be interested in taking over fixing and operating the line for the long term.

We are very grateful to Mr. Wouters for doing the job that he is doing. He has met with a number of interested parties. I fully trust his ability to choose which team, company, or group is most capable of ensuring for the people of Manitoba—northern Manitoba in particular and Churchill—the best new operator and owner of the line to take us forward. I would suggest that if you have any questions that are specific to the companies you address those to WED and ISED.

**Mrs. Kelly Block:** Thank you very much, Minister.

The company, iChurchill, says that they had reached an agreement that fulfilled the three obligations outlined by your government, yet their deal has been rejected. You said that all options were being considered last week when I asked you the question. I'm just wondering if you could clear up for me why iChurchill's tentative deal has been dismissed.

**Hon. Marc Garneau:** Well, I can't comment on the veracity of the allegations or comments that are made by iChurchill. I can only tell you that we have a chief negotiator who is looking at all those who have expressed an interest in becoming the operators. I will leave it to our chief operator in the Department of Innovation, Science and Economic Development to answer any specific questions related to the different candidates, including iChurchill.

**Mrs. Kelly Block:** You know, there is an old saying, "follow the money", and the treatment of—

**The Chair:** Ms. Block, we're trying to keep to four-minute segments. You have 15 seconds left.

**Mrs. Kelly Block:** Okay. Thank you.

**The Chair:** Mr. Fraser.

**Mr. Sean Fraser (Central Nova, Lib.):** Thank you very much.

Minister, it's good to have you here once again. Just when I thought we were done with Bill C-49, I'm going to breathe some life back into it.

Long-haul interswitching was a major piece of this marquee legislation for your department. One of the issues I discussed during debate in the House and at length at committee with some of my colleagues from different parties was the need to ensure that long-haul interswitching allows for more effective and efficient transport between different regions and different industries. I saw that members of the opposition actually wrote a letter to the editor in one of my local papers, suggesting that the Maritimes were in fact being discriminated against because of certain remedies not being available for that part of the region. I don't believe that to be the case, seeing as how there are actually no class I railways in Nova Scotia, P.E.I., or Newfoundland, though, with respect to New Brunswick, at least one shipper has raised this potential issue.

I'm curious; can you reassure those watching back home that in fact this is not some slap against Atlantic Canada, and on the importance of making sure that products are moving in different regions of the country—not just western Canadian grain, for example?

**Hon. Marc Garneau:** Of course, long-haul interswitching is a very critical part of the new approach we are taking with respect to the movement of freight across Canada. The bill is supported by a wide range of stakeholders insofar as long-haul interswitching is concerned. It offers large benefits to captive shippers and the community at large. We're committed to working with this community to ensure that these benefits are properly understood and maximized to the fullest extent possible.

As it stands, this bill makes significant improvements to existing remedies that will benefit all captive shippers in the Maritimes and across Canada. It's important to talk about all of the things we've changed that make it a more level playing field for shippers, and not just the issue of long-haul interswitching. We feel that with all of the benefits we've put toward the shippers all across Canada, the shippers in the Maritimes are now on a level playing field with respect to moving their goods.

● (1610)

**Mr. Sean Fraser:** Excellent.

I'd like to change gears and go toward the oceans protection plan, which I note was included in the speaking notes you skipped over today. From an Atlantic perspective, we're surrounded by the ocean in every direction, but it's of course a national issue.

One of the major opportunities I see is engaging indigenous communities who live along our coasts and who care deeply about stewardship of the environment and our oceans. I'm curious; can you offer some insight on the opportunities that might be present for our indigenous peoples to help take part in this $1.5-billion plan?

**Hon. Marc Garneau:** I would go so far as to say that the indigenous coastal first nations and Inuit play a critical role in the oceans protection plan. They have indicated to us for a long time that not only do they know their local waters better than anyone else, they've been there for millennia. Sometimes it's their means of living through fishing. Their deep connection with their local waters is such that they have told us that they want to participate in making sure these waters remain safe from a marine safety point of view. Whether we're talking about possible pollution or whether we're talking about ships that may experience difficulties, they are often, indeed, the first who are on the site when an incident occurs.

We are very much involving them. This is extremely exciting. This is a very strong demonstration of our efforts at reconciliation. I can assure you that we are providing them with the resources, the training, and the situational awareness so that they can actively participate as part of the oceans protection plan in ensuring the safety of local waters.

**The Chair:** Thank you very much, Minister.

Mr. Nantel.

[*Translation*]

**Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP):** Thank you, Madam Chair.

Thank you for being here, Mr. Garneau.

As you know, it has been a year now since we were together at the Montreal Electric Vehicle Show. At that time, you announced a transportation electrification strategy. I do not want to assume that it will not happen, because meetings are indeed being held according to my information, but will you be announcing something in that regard soon?

**Hon. Marc Garneau:** Yes, we saw each other there last year.

Our commitment is to release a zero-emissions vehicle strategy by the end of the year.

This is an issue that warrants our attention. As you know, transportation accounts for 24% of greenhouse gas emissions, and 80% of that 24% comes from cars and trucks. We have an important role to play in order to reach our greenhouse gas reduction targets.

We will be presenting a strategy by the end of the year.

**Mr. Pierre Nantel:** Are you committed to presenting the strategy by the end of the year? We did not see anything about it in the estimates.

**Hon. Marc Garneau:** That is our objective. We have a lot of projects on the go, as you know, but we are also working on that strategy. Once we have some news, we will be pleased to share it with you.

**Mr. Pierre Nantel:** Let me repeat my invitation: if the committee needs another partner, I am available. Things have to get rolling. It is important. The whole planet is going in that direction.

I also have a question about high frequency rail. My colleague Robert Aubin has noted various contradictory statements by your government. In January 2018, the prime minister said he supported the project, but a few months later, in April 2018, you said that you need answers because you want to know in advance if such a major investment is worthwhile. It seems you have gone from "yes" to "maybe".

Where are we at on this initiative?

**Hon. Marc Garneau:** Our position has been consistent from the beginning. Perhaps Mr. Aubin took certain comments out of context; you always have to consider the context.

As to high frequency rail, let me clarify that we are currently conducting a serious study of the line between Quebec City and Toronto. No pun intended, but we want to know if it is viable. Since taxpayers' money is at stake, we need to have an idea of the potential number of passengers. We want to know if Canadians in that region will decide to leave their cars at home and take the train, or in some cases take the train instead of a plane.

Before we make that investment, we need to know how many people will be committed to it, first of all. Secondly, we want to assess private sector interest. That is what we are doing right now.

● (1615)

**Mr. Pierre Nantel:** Is completion of the project contingent on private sector interest?

Do you intend to provide the committee with the results of the public opinion surveys that have been conducted on high frequency rail to date?

**Hon. Marc Garneau:** Of course, we will provide the results. Once we finish our work, we will have a good overview. Those results will influence our decision. It is our duty to share that information.

**Mr. Pierre Nantel:** Is the private sector's commitment—

[*English*]

**The Chair:** Thank you very much Mr. Garneau and Mr. Nantel.

Mr. Badawey.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Madam Chair, and thank you, Minister, for being here this afternoon.

Minister, I'm going to concentrate on the transportation 2030 vision, in particular, highlighting the national trade corridors that you've identified as part of your strategy. Trade corridors, of course, contribute to global markets including waterways.

Minister, I'm going to be a bit parochial today. Niagara, as you know, is my home area, and Niagara is an international border crossing that includes a robust multimodal transportation network.

Minister, can you comment on what your strategy can contribute and what the work you're doing to reduce bottlenecks can mean for Niagara's international economic gateway?

**Hon. Marc Garneau:** As you point out, the national trade corridors fund is very popular. It's very heavily subscribed based on our initial first call for interest last summer. There's no question that many regions across the country are interested in this fund, which, as you say, addresses projects where there are issues of bottlenecks or congestion in our transportation corridors.

There's no question that the region you're referring to, which includes the St. Lawrence Seaway, is a very important transportation artery in our country, and as such, is definitely a worthy and viable candidate. At the moment, this is a program that is based on merit. It's not an allocation by province. We look at every submission that comes to us, and in the vast majority of cases co-funding is involved from not only the federal government but also other levels of government and the private sector.

In the announcements we've made so far, we've seen that we've been able to leverage money beyond the federal, but I would say to you that the region you represent is an important transportation corridor for this country in getting our goods from the Great Lakes or to the Great Lakes and the cities around them out to the St. Lawrence and to foreign destinations.

**Mr. Vance Badawey:** Great.

Do you find it advantageous that, especially with our NAFTA negotiations being under way, we also work with our neighbours to the south, our U.S. neighbours, with respect to integrating a lot of our transportation networks as well as integrating our infrastructure investments so that we have a seamless transportation system that is not only national but international as well?

**Hon. Marc Garneau:** Yes, absolutely. There are tens of thousands of trucks that cross the border between our two countries every single day. There are hundreds of flights that cross the border. There are many ships, and this speaks to a lot of traffic on the Great Lakes from Canada to some of the eight states that border the Great Lakes. It is in our interest to harmonize to the maximum extent possible so that in essence when any mode of transportation crosses the border into the United States, or in the other direction, they're not faced with a whole set of different rules with respect to safety or other issues. Harmonization has been a priority between our two countries, and I'm glad to say it works pretty darn well. We're not totally identical but we try to make it as seamless as possible.

**Mr. Vance Badawey:** Thank you, Minister.

**The Chair:** Thank you, Mr. Badawey.

Mr. Iacono.

[*Translation*]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Madam Chair.

I want to thank the witnesses for being here today.

Last month, Quebec's superior court authorized a class action lawsuit to protest noise pollution. In my riding of Alfred-Pellan, a number of people in Laval complaint about noise pollution caused by aircraft. They launched a petition to appeal to the Minister of Transport in this regard. The City of Laval has also called on the minister to intervene, in particular by drawing attention to current and potential flight corridors over Laval.

Can the Minister of Transport shed some light on this and on the measures being taken to reduce this noise pollution?

● (1620)

**Hon. Marc Garneau:** Transport Canada is certainly aware of and understands the citizens' concerns about the impact of air traffic noise. Pierre Elliot Trudeau International Airport is one of the busiest in the country. Further, it is located in the city.

Transport Canada is actively engaged in this file, for the Montreal area in particular. It serves as a technical expert on the Soundscape Consultative Committee, which was created by Montreal's airports. This committee includes the mayors of a number Montreal boroughs, officials from NAV CANADA, which is responsible for the air space, as well as air carriers, and Quebec government officials. This committee helps advance multiple noise mitigation measures in order to minimize the potential impact of air activity on neighbouring communities. The City of Laval is not far removed from all those activities.

It should also be noted that flights by jets weighing more than 45,000 kilograms that land and depart from Pierre Elliott Trudeau International Airport are subject to an overnight restriction, specifically a curfew between midnight and 7 a.m. Flights by aircraft larger than that are authorized on occasion, for medical emergencies in particular, or as a result of weather delays or delays beyond our control owing to air traffic. In other words, you have to recognize that when the curfew is broken, it is often for good reason.

**Mr. Angelo Iacono:** A number of my constituents are also worried by the correlation between noise pollution and airlines' non-compliance with flight corridors. In those cases, the planes apparently fly at lower altitudes than they are supposed to.

Mr. Garneau, can such noise pollution be attributed to a lack of monitoring of flight corridors, that is, aircraft flying at lower altitudes than planned?

**Hon. Marc Garneau:** I would say not. NAV CANADA, the agency responsible for providing air traffic control services in Canada, monitors flight corridors on an ongoing basis. NAV CANADA has the power to introduce, increase, reduce or stop air services, to change flight corridors, and to close or relocate the associated facilities.

In instances of non-compliance with the use of the air space, NAV CANADA takes the necessary steps and informs Transport Canada, which is responsible for the implementation of the transport act. Since safety and security are Transport Canada's priorities and raison d'être, you can rest assured that there is zero tolerance for any situation that could lead to an unacceptable increase in the risk to either flight safety or public safety.

[*English*]

**The Chair:** Thank you very much, Minister.

Mr. Chong.

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Thank you, Madam Chair.

Thank you, Minister, for appearing on vote 1.

I want us to talk about the Champlain Bridge today, since you're asking for money for the Jacques Cartier Bridge, the Champlain Bridge, and the Federal Bridge Corporation.

Yesterday, the Auditor General came out with a report that's quite critical of the project. I want to focus on one particular area that concerns decisions that your government has taken. Your government has said that it believes in sustainable development. In other words, things should be both economically sustainable and environmentally sustainable. It said that the environment and the economy go hand in hand, yet your government in November 2015 made a decision that actually does quite the opposite. The decision to eliminate the tolls on the Champlain Bridge was a purely political decision that is actually economically unsustainable and environmentally unsustainable.

The Auditor General has said that the decision to remove the toll on the Champlain Bridge had far-reaching implications and has said that the elimination of tolls is expected to result in revenue losses of at least $3 billion over the first 30 years of the bridge's use. That's a huge hole in the fiscal framework, particularly when your government is running significant deficits. Clearly, that is not economically sustainable, and the Auditor General, in his report, also said that the elimination of tolls is supposed to significantly increase vehicular traffic over the bridge by about 20%. The last time I checked, about 50 million trucks and cars cross that bridge each and every year, so that means an increase from 50 million cars and trucks to 60 million cars and trucks per year, an increase of 10 million vehicles per year with the attendant greenhouse gas emissions that entails. That is clearly not environmentally sustainable.

In fact, yesterday in the House we were debating amendments to the Federal Sustainable Development Act, and one of the principles that the government would like to incorporate in its lofty rhetoric around sustainable development is the principle of internalization, the idea that we take externalities to the economic system and internalize them by pricing them. In the decision to cancel the toll on this bridge, you have done quite the opposite. You've taken an internality and externalized it, which is precisely the opposite of what you said you wanted to do as a government.

In conclusion, Minister, the management of this bridge project, and particularly the decision to remove the toll on the bridge, is not only economically unsustainable, not only environmentally unsustainable, it is actually socially unfair. We have the Confederation Bridge that crosses from Prince Edward Island to the mainland to serve Prince Edward Islanders and people have to pay $47 in tolls to cross that bridge. We have a new federal bridge from Windsor to Detroit that's going to cross the Detroit River, on which the government has announced a toll will be placed, yet there will be no toll for the bridge in Montreal.

I don't know how in good faith we can give your portfolio more money when we see such mismanagement of this project and such inconsistency in the principles that the government says it upholds.

● (1625)

**The Chair:** Thank you, Mr. Chong.

Minister Garneau, you have 15 seconds.

**Hon. Marc Garneau:** What I remember from reading the Auditor General's report is the clear condemnation of the previous government for waiting too many years before deciding to build a replacement bridge. As a result, we are paying hundreds of millions of dollars to keep a very old bridge going, and at the same time, it's forced us to compress the schedule for the new bridge.

We have been managing the construction of that bridge very efficiently since 2015 under the leadership of Minister Sohi from Infrastructure Canada.

**The Chair:** Thank you, Minister Garneau.

The lights are flashing.

Do we have unanimous consent to attempt to continue our meeting until we get closer to the vote that has been called?

**Some hon. members:** Agreed.

**The Chair:** We'll move to Mr. Hardie.

We have the minister here for a bit longer, so there are four minutes for you to utilize.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** I just wanted to ask the minister if he had sufficient time to respond to Mr. Chong's comment.

**Hon. Marc Garneau:** I have many more things to say about it.

The accusation, which is very valid, that the previous government should have acted years earlier to begin this new project would have saved the taxpayers hundreds of millions of dollars.

I cross the Champlain Bridge, the busiest bridge in Canada. This is what a bridge is for, to allow people who live on the south shore and Montreal to cross to the other side. We could have saved hundreds of millions of dollars in not having to maintain an old bridge because the previous government delayed in initiating its replacement.

With respect to the tolls, that was a decision based on the large number of people who chose to live there. This was a replacement bridge, not a brand new bridge, and we're very proud of the fact that we decided not to make it a toll bridge.

**Mr. Ken Hardie:** I wanted to afford my colleague Hunter Tootoo a chance to ask a question as well.

● (1630)

**Hon. Hunter Tootoo (Nunavut, Ind.):** Thank you, Mr. Hardie and Madam Chair.

Minister Garneau, it's good to see you here.

First, I want to thank you for the five new terminals throughout Nunavut that were announced a few weeks ago. The replacements were badly needed. It's greatly appreciated.

The Government of Nunavut had submitted some other projects under the national trade corridors fund, being the airport relocations in Pangnirtung and Kimmirut as well as a winter road from Kivalliq down to Manitoba. I know they were turned down. I'm wondering why, and if there's any advice we can give to the Government of Nunavut to reapply or look at a different pool of funds to apply to for them.

**Hon. Marc Garneau:** As you pointed out very clearly earlier in the week in the House of Commons, transportation is literally a lifeline in the north, and that is why we recognized an amount of $400 million that is reserved exclusively for transportation projects in the territories under the national trade corridors fund.

We are in the middle of the first announcements at the moment, based on the call for interest that we initiated last July. This is an 11-year, $2-billion program, and there will be other calls for interest in the years to come.

So many good projects came forward that we can't fund them all, certainly not on the first call, and yes, if a project that was submitted was not picked up in the first call, there will be other calls in the years to come because we do intend to continue addressing this issue of transportation, and in the case of the north, recognizing the particular nature of the high dependency on marine and air transportation in some cases.

**The Chair:** Thank you very much.

Minister, I understood you would be here until 4:30. Can your officials remain?

**Hon. Marc Garneau:** Thank you.

**The Chair:** If I can get your indulgence, I could read the votes out now or would you like to have a chance to ask a few more questions? We have 25 minutes on the clock, which means we should leave in 20 minutes. Do we want to take 10 minutes to try to get a few more questions answered? We can take one question from each party.

Mr. Chong.

**Hon. Michael Chong:** I just have a brief comment.

The minister said that the previous government caused costs for the project to increase because of delays. I think that's partly true. The reality is that the Auditor General said the cost increased by some $306 million because of delays in starting and approving this project. Those delays started in 1999. The first evidence that the bridge was not going to last as long as it should have began in 1999, so both previous governments have their share of blame.

The $306 million in additional costs created because of the delay in approving this project by the previous Conservative government pales in comparison with the over $3 billion hole that the Auditor General estimates has been put into the fiscal framework because of a political decision by the current government to eliminate tolls on this bridge. I wanted to put that on the record as a point of fact, in order to put the minister's comments into context.

Thank you, Madam Chair.

**The Chair:** All right.

We move over to Mr. Sikand.

**Mr. Gagan Sikand (Mississauga—Streetsville, Lib.):** I have a quick question with respect to the funding that was announced to have a new fleet for VIA Rail.

Does VIA or Transport Canada actually know what the cost of the fleet will be?

**Mr. Michael Keenan (Deputy Minister, Department of Transport):** I'd defer to our colleagues from VIA Rail to answer that question.

**Mr. Jacques Fauteux (Director, Government and Community Relations, VIA Rail Canada Inc.):** We're going to proceed with our competitive process at this time. The procurement process started in April of this year, and we intend to have an RFQ sent to bidders from Canada and to international bidders later this summer.

It would be presumptuous on my part to tell you what the cost is as we try to make a competitive process and ensure that we get the most value for the taxpayer, as well as for the consumers who are going to get on board the trains.

● (1635)

**Mr. Gagan Sikand:** Could you please provide some insight on the discussion around the frequency of high-speed...?

**Mr. Jacques Fauteux:** I believe you're mentioning high-frequency rail?

**Mr. Gagan Sikand:** Yes.

**Mr. Jacques Fauteux:** Deputy?

**Mr. Michael Keenan:** I may take the high-frequency rail here on the part of Transport Canada.

Madam Chair, as the member implies in the question, the value proposition around high-frequency rail is to have a significant increase in the number of times the train goes between key cities in the Quebec City—Toronto corridor and to have it operate on dedicated track so that it has both higher frequency and higher reliability.

It's difficult to say how much more frequent it will be, simply because we are still in the period of examining and doing due diligence on the business case for high-frequency rail. The government has allocated some funds in the 2018 budget to advance the technical and financial analysis around that plan and is seeking to bring all of the facts together for a decision later this year, if possible. That decision, once it's made, would among other things define exactly how many more high-frequency trains would be involved in any plan or decision of the government to proceed.

**Mr. Gagan Sikand:** I know I'm out of time, so a yes or no would suffice.

Is there a significant difference between the current fleet and the one that's going to be phased in?

**Mr. Michael Keenan:** It strikes me as a remarkable difference. I'd say emphatically yes, in environmental performance, in accessibility, in reliability. The plan is to replace the entire train sets, both the locomotives and the passenger cars. It's the single biggest investment in VIA rolling stock in, I think, living memory.

**The Chair:** Mr. Nantel.

[*Translation*]

**Mr. Pierre Nantel:** Thank you, Madam Chair.

My question is for Mr. Keenan.

What are the chances of using local suppliers for this renewal? I know that, in the United States, the federal government can require that local suppliers are used for up to 65% of an initiative. What commitment to our suppliers can we hope for in Canada?

**Mr. Michael Keenan:** I'm sorry.

[*English*]

VIA Rail is managing the procurement, so I would defer to them.

[*Translation*]

**Mr. Jacques Fauteux:** I did not mention this when I first answered, but I should point out that we are very happy to finally get a new fleet that will improve passenger accessibility and comfort.

As to your question, sir, in the interest of competition, we would like as many bidders as possible in order to maximize our options. I would also point out that we have to comply with international trade agreements, which means an international bidding process.

We held a "market day" where we met a number of companies that want to offer their services to us, including Canadian companies.

**Mr. Pierre Nantel:** I understand what you are saying, of course. As someone who uses VIA Rail every week, I understand that very well and am very pleased. It is only natural, however, to expect local content in major contracts such as this. Can we expect the government to support you in that requirement, either through Mr. Keenan or anyone else around the table?

That is the case in aeronautics: a large number of bidders have to meet certain quotas.

I know there are certain things you cannot disclose, but I think we all expect that major public investments such as this one will have local benefits. That is an expectation for all projects. We hope that Canadian citizens will benefit, over and above comfort and greater reliability. We all know how old the current fleet is, which is even a bit funny at times, but the service is excellent.

Mr. Keenan, the director general of environmental policy for Transport Canada is a member of the advisory group on the national zero-emission vehicle strategy for 2018. Can you report on the work of that group, which were discussing earlier with Mr. Garneau?

● (1640)

**Mr. Michael Keenan:** As the minister said today, we are working on a national zero-emission vehicle strategy with provincial governments and experts in the field.

[*English*]

We have a number of partners and we're moving forward—we've committed to this publicly—and we are certainly trying to bring the national ZEV strategy together in a timely manner. It's difficult to say exactly when it will arrive.

There is a very high level of co-operation and very deep technical work that is being carried out in partnership with provincial governments through the existing mechanisms of the federal and provincial ministers of transportation.

We continue to work at trying to bring it to fruition as soon as possible.

**The Chair:** Thank you very much, Mr. Keenan.

We will go to Ms. Block.

**Mrs. Kelly Block:** Thank you, Madam Chair.

I'll try to be very quick, because I know my time is brief.

On Monday, May 28, the Canadian Transportation Agency's CEO, Mr. Streiner, announced that a comprehensive consultation process would start on the new passenger bill of rights.

After the Emerson report, after consultations on those consultations, the consultation that would have taken place before Bill C-49 was introduced, after this committee reviewed Bill C-49, after the Senate reviewed Bill C-49 and gave it the same scrutiny, and after the attempts by both members on this side of the table and in the Senate to amend Bill C-49 to put some sort of frame to the bill of rights, we're now conducting consultations once again on a passenger bill of rights.

I just want to know if anybody could tell me how much this consultation is going to cost the taxpayers.

**Mr. Michael Keenan:** I would add one small comment before I turn it over to my colleague from the Canadian Transportation Agency.

Very shortly after Bill C-49 received royal assent, Minister Garneau and the CEO of the Canadian Transportation Agency launched consultations on the details for the regulations that are now possible because of the legislative framework put in the bill.

**Mrs. Kelly Block:** Thank you, Mr. Keenan.

I do have a question, and that is, how much will these consultations cost Canadian taxpayers?

**Mr. Michael Keenan:** Excuse me. I'll turn it over to my colleague from the Canadian Transportation Agency.

**Mrs. Kelly Block:** Thank you.

**Mr. Scott Streiner (Chair and Chief Executive Officer, Canadian Transportation Agency):** Madam Chair, I thank the member for her question. In order to ensure that we give accurate information, we will get back to the committee with specific figures on the cost of the consultations.

The consultation process is a three-month process that involves both online and public meetings, so we'll give you a comprehensive figure.

**Mrs. Kelly Block:** Thank you very much.

**The Chair:** Mr. Badawey.

**Mr. Vance Badawey:** Madam Chair, I'd like to continue on where I left off with the minister and his staff earlier.

As you well know, we're in NAFTA negotiations right now. With that said, having been down there myself just a few weeks ago, there's no question that our partners on the U.S. side are recognizing the advantages that we have with integrated trade corridors, and with that, recognizing the need to have more intense and comprehensive dialogue, especially when it comes to making investments. While we make investments in our corridors and they're making investments in their corridors, it is important, especially with respect to integrating our logistics and distribution systems. I have two questions.

Furthering on a binational effort versus just a national effort, is that dialogue happening at your level? Regarding investments, whether they be in road, air, rail, or water, is there discussion taking place binationally, and even beyond with those in other countries?

The second question is, how do we further that? How do we ensure that those discussions are for.... Where I'm from in Niagara, we're within a one day's drive of over 44% of North America's annual income. It's one day's drive to Montreal, Ottawa, Chicago, Cincinnati, Cleveland, Pittsburgh, Washington, Baltimore, Philadelphia, New York, and Boston. A lot of our highways, our waterways, our rail, and our air are interconnected.

Again, going back to my questions, is that dialogue happening? How do we ensure that it's enhanced well into the future so those trade corridors are more robust?

● (1645)

**Mr. Michael Keenan:** It's a great question and strikes to the heart of multiple priorities at Transport Canada departments.

The short answer is yes, the dialogue is happening. It's certainly happening at the ministerial, prime ministerial, and I would say elected representative level, and it's happening at the officials' level.

I spend a fair bit of time talking to my colleagues at the Department of Transportation, the Department of Homeland Security, the U.S. Coast Guard, etc., and at multiple levels, departmental officials at Transport Canada are spending a lot of time not just in dialogues with their U.S. counterparts, but in joint planning meetings on a whole range of things from aviation security to motor vehicle safety standards.

One recent example would be in the last budget. The government has recently enacted the pre-clearance bill—I can't remember the exact title—and, as a matter of coordination, has funded pre-clearance facilities at Billy Bishop and Quebec's Jean Lesage airports. To do that requires enormous coordination with customs, border control, and about 18 U.S. federal agencies.

I think in terms of what we can do is continue the Canadian playbook in this manner, which is extensive ministerial and elected representative engagement that's raised, quite frankly, the awareness in the United States of these trade corridors and the value of that coordination.

**Mr. Vance Badawey:** Madam Chair, if I may, as we're doing that, is there anything more that we can do to work—

**The Chair:** Your time is up.

**Mr. Vance Badawey:** Thank you, Madam Chair.

**The Chair:** We're getting tight, and my responsibility is to do what I'm supposed to do here and get the committee where it's supposed to be.

I have to go on to the votes.

Pursuant to Standing Order 81(4), the committee will now dispose of the main estimates for the fiscal year ending March 31, 2019, minus the interim estimates the House agreed to on March 22, 2018.

CANADIAN AIR TRANSPORT SECURITY AUTHORITY

Vote 1—Payments to the Authority for operating and capital expenditures..... $586,157,871

(Vote 1 agreed to on division)

CANADIAN TRANSPORTATION AGENCY

Vote 1—Program expenditures.....$28,214,631

(Vote 1 agreed to on division)

DEPARTMENT OF TRANSPORT

Vote 1—Operating expenditures.....$696,852,654

Vote 5—Capital expenditures.....$122,989,854

Vote 10—Grants and contributions - Efficient Transportation System..... $401,910,138

Vote 15—Grants and contributions - Green and Innovative Transportation System.....$41,601,775

Vote 20—Grants and contributions - Safe and Secure Transportation System.....$27,772,681

(Votes 1, 5, 10, 15, and 20 agreed to on division)

MARINE ATLANTIC INC.

Vote 1—Payments to the corporation.....$151,104,000

(Vote 1 agreed to on division)

THE FEDERAL BRIDGE CORPORATION LIMITED

Vote 1—Payments to the corporation.....$3,472,857

(Vote 1 agreed to on division)

VIA RAIL CANADA INC.

Vote 1—Payments to the corporation.....$538,088,193

(Vote 1 agreed to on division)

**The Chair:** Shall I report the main estimates, minus the interim estimates, to the House?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

That's it for this.

We have 10 minutes, and we could probably get in a short question from Mr. Nantel, if he wants.

**Mr. Pierre Nantel:** Thank you. You caught me off guard here.

We also have something about the rights for passengers on the air transportation level.

[*Translation*]

According to the U.S. company, AirHelp, 109,000 Canadian passengers experienced problems with their flights to or from Europe in 2017. That company concludes that Canadian passengers do not claim $65 million dollars every year.

Do you intend to take action on the passenger bill of rights?

[*English*]

**Mr. Michael Keenan:** I might turn that to the Canadian Transportation Agency.

[*Translation*]

**Mr. Scott Streiner:** I'm sorry, but could you clarify your question? What money are you referring to exactly?

**Mr. Pierre Nantel:** I would like to know if work is progressing on Canada's passenger bill of rights.

**Mr. Scott Streiner:** Yes, of course. We started the consultation process this week and it will continue for three months. The goal is to finalize the charter and regulations within a few months, and not a few years.

**Mr. Pierre Nantel:** Thank you.

[*English*]

**The Chair:** Thank you very much

We will suspend, and unfortunately, we have to come back for a few minutes in order to adopt a budget for possible travel in September.

I think we need to have a short discussion on this budget. It will be five minutes or so.

To our witnesses, thank you all very much for being here and for your information.

We will suspend until after the vote.

● (1655)

_____ (Pause) _____

● (1710)

[*Proceedings continue in camera*]

Published under the authority of the Speaker of the House of Commons

## SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: http://www.ourcommons.ca

Publié en conformité de l'autorité du Président de la Chambre des communes

## PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : http://www.noscommunes.ca